



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

P.O. Box 94214
BATON ROUGE, LOUISIANA 70804-9214
PHONE (225) 342-5900
FAX (225) 342-3078
<http://wwwldi.la.state.la.us>

October 24, 2001

DIRECTIVE NUMBER 01 – 159

**NOTIFICATION OF CHANGES AFFECTING QUALIFICATIONS FOR A
LICENSE IN THIS STATE**

TO: THIRD PARTY ADMINISTRATORS

PURPOSE

It has been brought to my attention that administrators are waiting until the filing of the annual reports (due March 1 of each year) to notify the Department of Insurance of changes in officers, directors, amendments to articles of incorporation, mergers, acquisitions and other such changes to the information originally submitted in support of their request for a license. The following Directive is intended to address the notification to the Department of material changes or other facts or circumstances affecting qualification for a license in this state, and is not meant to limit the scope of the Department's regulatory authority over any insurance activity related to this notification that may not be addressed in this Directive.

STATUTE

LA-R.S. 22:3041 H provides:

An administrator shall **immediately** notify the commissioner of any material change in its ownership, control, or other fact or circumstance affecting its qualification for a license in this state. (Emphasis added)

DIRECTIVE REQUIREMENTS

The Department of Insurance hereby notifies administrators that compliance with the immediate notification provision in the above statute shall be interpreted to mean within thirty days of the effective date of the material change in ownership, control, or other fact or circumstance affecting qualification for a license in this state.

Further, the Department of Insurance advises administrators that the following changes will require notification and that the corresponding documents must be submitted for this notification.

1. Changes in officers/directors
 - Document (A biographical affidavit must be filed on the proper form for each new officer/director)
2. Changes in ownership
 - Document (An updated organization chart showing the ownership of the administrator up to and including the ultimate controlling party)
3. Change in articles of incorporation
 - Document (A copy of the amended articles certified by the proper domiciliary state official. The certification must be original)
4. Entering into an administrative contract with a new insurer with Louisiana policyholders affected by the contract
 - Document (A proper Notice of Contract Form must be submitted)
5. A merger
 - Document (Written notice of the merger and, where appropriate, surrender of the original license of an entity which merged out of existence)
6. Addition or change of a trade name or "d/b/a"
 - Document (An original certification from the Louisiana Secretary of State confirming registration of the trade name with that Office)
7. Cessation of business in Louisiana
 - Document (A written notice with a return of the original license or an affidavit stating that the license is lost or misplaced)

Administrators failing to meet the requirements set forth in this Directive will be subject to regulatory action by the Department of Insurance.

Please be guided accordingly.

BY:



J. ROBERT WOOLEY
ACTING COMMISSIONER OF INSURANCE